

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

House Engrossed
FILED
KEN BENNETT
SECRETARY OF STATE

CHAPTER 150

HOUSE BILL 2434

AN ACT

AMENDING SECTIONS 5-839 AND 48-4234, ARIZONA REVISED STATUTES; RELATING TO
CAR RENTAL SURCHARGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-839, Arizona Revised Statutes, is amended to
3 read:

4 5-839. Car rental surcharge

5 A. The qualified electors residing in the authority, by majority vote
6 at an election held in the authority, may levy and, if levied, the department
7 of revenue shall collect a car rental surcharge beginning on the first day of
8 the first month beginning ninety days after the election to levy the
9 surcharge. The surcharge shall be in effect for three hundred sixty months.

10 B. The rate of the surcharge is:

11 1. Three and one-fourth per cent of the gross proceeds or gross income
12 from the business or two dollars fifty cents on each lease or rental,
13 whichever is more.

14 2. In the case of a person who leases or rents the motor vehicle as a
15 temporary replacement motor vehicle, two dollars fifty cents on each lease or
16 rental. For THE purposes of this paragraph, "temporary replacement motor
17 vehicle" means a vehicle loaned by a motor vehicle repair facility or dealer
18 or rented by a person temporarily to use while the vehicle that it is
19 replacing is not in use because of breakdown, repair, service, damage or
20 loss.

21 C. The surcharge applies to the business of leasing or renting for
22 less than one year motor vehicles for hire without a driver, that are
23 designed to operate on the streets and highways of this state and that are
24 primarily intended to carry not more than fourteen passengers, regardless of
25 whether the vehicle is registered or licensed in this state.

26 D. The surcharge does not apply to the lease or rental of a motor
27 vehicle:

28 1. To an automobile dealership, a repair facility, an insurance
29 company or any other person that provides that vehicle at no charge to a
30 person whose own motor vehicle is being repaired, adjusted or serviced.

31 2. USED IN AN EMPLOYEE VANPOOL ARRANGEMENT FOR A GROUP OF AT LEAST
32 SEVEN BUT NOT MORE THAN FOURTEEN PASSENGERS INCLUDING A DRIVER WHO MEETS ALL
33 OF THE FOLLOWING CONDITIONS:

34 (a) THE DRIVER OPERATES THE MOTOR VEHICLE FOR THE PURPOSE OF COMMUTING
35 BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT.

36 (b) THE DRIVER OPERATES THE MOTOR VEHICLE UNDER A PREARRANGED SCHEDULE
37 FOR TRANSPORTING THE PASSENGERS BETWEEN THEIR RESIDENCES AND PLACE OF
38 EMPLOYMENT.

39 (c) THE DRIVER'S OPERATION OF THE MOTOR VEHICLE IS VOLUNTARY AND NOT
40 REQUIRED AS A WORK RESPONSIBILITY OR CONDITION OF EMPLOYMENT.

41 (d) THE DRIVER RECEIVES NO COMPENSATION OTHER THAN FREE TRANSPORTATION
42 BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT, PLUS LIMITED PERSONAL
43 USE OF THE MOTOR VEHICLE CONSISTING OF NOT MORE THAN TWENTY PER CENT OF THE
44 MILEAGE USE OF THE MOTOR VEHICLE FOR EITHER:

1 (i) PURPOSES OTHER THAN TRANSPORTING PASSENGERS BETWEEN THEIR
2 RESIDENCES AND PLACE OF EMPLOYMENT.

3 (ii) TRAVEL BETWEEN THE PASSENGERS' RESIDENCES AND PLACE OF EMPLOYMENT
4 IN WHICH PASSENGERS TRANSPORTED CONSTITUTE LESS THAN ONE-HALF OF THE ADULT
5 SEATING CAPACITY OF THE MOTOR VEHICLE, NOT INCLUDING THE DRIVER.

6 E. The surcharge is not taxable under section 42-5071.

7 F. Unless the context otherwise requires, section 42-6102 governs the
8 administration of a surcharge imposed under this section, which shall be
9 reported on a form prescribed by the department of revenue. The department
10 of revenue shall require a report of the number of lease or rental
11 transactions and shall transmit that number to the state treasurer.

12 G. Each month the state treasurer shall distribute revenues collected
13 pursuant to this section as follows:

14 1. Transmit an amount equal to two dollars fifty cents on each lease
15 or rental transaction to the county stadium district established in the
16 county in which the authority is located pursuant to title 48, chapter 26 for
17 deposit in the county stadium district fund. The board of directors of the
18 county stadium district may pledge all or part of these monies to secure
19 district bonds or financial obligations under title 48, chapter 26.

20 2. Pay the remainder of the monies collected during the month to the
21 authority for deposit in the tourism revenue clearing account established by
22 section 5-835.

23 Sec. 2. Section 48-4234, Arizona Revised Statutes, is amended to read:

24 48-4234. Car rental surcharge for major league spring training;
25 rate; administration; credit; definition

26 A. If the board of directors of a district established pursuant to
27 section 48-4202, subsection A determines that it is necessary in order to
28 retain, attract or relocate a major league baseball spring training
29 operation, the board may levy and, if levied, the department of revenue shall
30 collect a car rental surcharge pursuant to subsection B of this section in
31 addition to or in lieu of other revenues collected pursuant to this article
32 to be used and expended for the purposes set forth in section 48-4204,
33 subsection A. The surcharge is effective and shall be collected beginning
34 January 1 or July 1, whichever date first occurs at least three months after
35 the board approves the surcharge.

36 B. The board shall set the car rental surcharge as follows:

37 1. Except as provided in paragraph 2 OF THIS SUBSECTION, at a rate not
38 to exceed two dollars fifty cents on each lease or rental of a motor vehicle
39 licensed for hire for less than one year and designed to carry fewer than
40 fifteen passengers regardless of whether such vehicle is licensed in this
41 state.

1 2. In a county with a population of more than five hundred thousand
2 but less than two million persons, according to the most recent United States
3 decennial census, the board shall set the surcharge at a rate not to exceed
4 three dollars fifty cents on each lease or rental of a motor vehicle licensed
5 for hire for less than one year and designed to carry fewer than fifteen
6 passengers regardless of whether the vehicle is licensed in this state.

7 C. The surcharge is not taxable under section 42-5071.

8 D. The surcharge does not apply to the lease or rental of a motor
9 vehicle:

10 1. To an automobile dealership, a repair facility, an insurance
11 company or any other person that provides that vehicle at no charge to a
12 person whose own motor vehicle is being repaired, adjusted or serviced.

13 2. USED IN AN EMPLOYEE VANPOOL ARRANGEMENT FOR A GROUP OF AT LEAST
14 SEVEN BUT NOT MORE THAN FOURTEEN PASSENGERS INCLUDING A DRIVER WHO MEETS ALL
15 OF THE FOLLOWING CONDITIONS:

16 (a) THE DRIVER OPERATES THE MOTOR VEHICLE FOR THE PURPOSE OF COMMUTING
17 BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT.

18 (b) THE DRIVER OPERATES THE MOTOR VEHICLE UNDER A PREARRANGED SCHEDULE
19 FOR TRANSPORTING THE PASSENGERS BETWEEN THEIR RESIDENCES AND PLACE OF
20 EMPLOYMENT.

21 (c) THE DRIVER'S OPERATION OF THE MOTOR VEHICLE IS VOLUNTARY AND NOT
22 REQUIRED AS A WORK RESPONSIBILITY OR CONDITION OF EMPLOYMENT.

23 (d) THE DRIVER RECEIVES NO COMPENSATION OTHER THAN FREE TRANSPORTATION
24 BETWEEN THE DRIVER'S RESIDENCE AND PLACE OF EMPLOYMENT, PLUS LIMITED PERSONAL
25 USE OF THE MOTOR VEHICLE CONSISTING OF NOT MORE THAN TWENTY PER CENT OF THE
26 MILEAGE USE OF THE MOTOR VEHICLE FOR EITHER:

27 (i) PURPOSES OTHER THAN TRANSPORTING PASSENGERS BETWEEN THEIR
28 RESIDENCES AND PLACE OF EMPLOYMENT.

29 (ii) TRAVEL BETWEEN THE PASSENGERS' RESIDENCES AND PLACE OF EMPLOYMENT
30 IN WHICH PASSENGERS TRANSPORTED CONSTITUTE LESS THAN ONE-HALF OF THE ADULT
31 SEATING CAPACITY OF THE MOTOR VEHICLE, NOT INCLUDING THE DRIVER.

32 E. The surcharge applies throughout the district, but if a business
33 demonstrates that it is subject to a surcharge imposed by the voters under
34 section 5-839, the business is entitled to a credit against the surcharge
35 imposed pursuant to this section equal to the amount of the surcharge paid
36 pursuant to section 5-839, except that the credit shall not exceed the amount
37 of the surcharge imposed pursuant to this section.

38 F. Unless the context otherwise requires, section 42-6102 governs the
39 administration of a surcharge imposed under this section, which shall be
40 reported on a form prescribed by the department of revenue.

41 G. Each month the state treasurer shall remit to the district
42 treasurer the net revenues collected under this section during the preceding
43 month. The district treasurer shall deposit the monies in the county stadium
44 district fund.

1 H. The board of directors may pledge all or part of the surcharge
2 levied under this section to secure district bonds or financial obligations
3 under this chapter. The surcharge shall not be terminated until all bonds,
4 obligations and associated payments that are secured by the surcharge are
5 fully met and discharged.

6 I. For the purposes of this section, "motor vehicle" means a
7 self-propelled vehicle that is operated on the streets and highways of this
8 state, that is primarily intended to carry passengers and that is licensed
9 for hire in the district without a driver.

APPROVED BY THE GOVERNOR APRIL 26, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 27, 2010.